

**THE PANORAMA CITY  
PROPERTY BUSINESS IMPROVEMENT  
DISTRICT**

*Formed and Modified Under California Streets and Highways Code Section 36600 et seq.  
Property and Business Improvement District Act of 1994*

***MODIFIED***

**DISTRICT  
ASSESSMENT ENGINEER’S  
REPORT**

**ATTACHMENT A**

*Prepared by  
Edward V. Henning  
California Registered Professional Engineer # 26549  
Edward Henning & Associates*

***JUNE 9, 2011***

**THE PANORAMA CITY BID – MODIFIED ENGINEER’S REPORT**

**DISTRICT ASSESSMENT ENGINEER’S REPORT**

To Whom It May Concern:

I hereby certify to the best of my professional knowledge and experience that each of the identified benefiting properties located within the existing Panorama City Property Business Improvement District ("Panorama City BID") being modified for the final 2 years of the current 5 years term will receive a special benefit over and above the benefits conferred on the public at large and that the amount of the proposed assessment is proportional to, and no greater than the benefits conferred on each respective property.

*Prepared by Edward V. Henning, California Registered Professional Engineer # 26549*



A handwritten signature of Edward V. Henning in black ink, written over a horizontal line.

Edward V. Henning

RPE #26549

6-9-11

Date

*(NOT VALID WITHOUT CERTIFICATION SEAL AND SIGNATURE HERE)*

**Introduction**

This report serves as the “detailed engineer’s report” required by Section 4(b) of Article XIID of the California Constitution (Proposition 218) to support the benefit property assessments proposed to be levied within the Panorama City BID in the City of Los Angeles, California being modified for the final 2 years of the current 5 year term. The modification involves a partial budget reduction and corresponding assessment rate reduction for one formula component as discussed later in this Report. The discussion and analysis contained within this Report constitutes the required “nexus” of rationale between assessment amounts levied and special benefits derived by properties within the Panorama City BID. This Report is based in part on an earlier Engineer’s Report prepared for the Panorama City BID formation in June 2008 by Yunus Rahi, R.C.E. No. 59183.

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### **Background**

The Panorama City BID is a property-based benefit assessment type district being modified pursuant to Section 36600 et seq. of the California Streets and Highways Code, also known as the Property and Business Improvement District Law of 1994 (the “Act”). Due to the benefit assessment nature of assessments levied within a BID, district program costs are to be distributed amongst all identified benefiting properties based on the proportional amount of program benefit each property is expected to derive from the assessments collected. Within the Act, frequent references are made to the concept of relative “benefit” received from BID programs and activities versus amount of assessment paid. Only those properties expected to derive special benefits from BID funded programs and activities may be assessed and only in an amount proportional to the relative benefits expected to be received.

The method used to determine special benefits derived by each identified property within a BID begins with the selection of a suitable and tangible basic benefit unit. For property related services, such as those proposed in the Panorama City BID, the benefit unit may be measured in linear feet of primary street frontage or parcel size in square feet or building size in square feet or number of building floors or proximity to major corridors in average linear feet, or any combination of these factors. Quantity takeoffs for each parcel are then measured or otherwise ascertained. From these figures, the amount of benefit units to be assigned to each property can be calculated. Special circumstances such as unique geography, land uses, development constraints etc. are carefully reviewed relative to specific programs and improvements to be funded by the BID in order to determine any levels of different benefit which may apply on a parcel-by-parcel or categorical basis.

Based on the factors described above such as geography and nature of programs and activities proposed, an assessment formula is developed which is derived from a singular or composite basic benefit unit factor or factors. Within the assessment formula, different factors may be assigned different “weights” or percentage of values based on their relationship to programs/services to be funded.

Next, all program and activity costs, including incidental costs, District administration and ancillary program costs, are estimated. It is noted, as stipulated in Proposition 218, and now required of all property based assessment Districts, indirect or general benefits may not be incorporated into the assessment formula and levied on the District properties; only direct or “special” benefits and costs may be considered. Indirect or general benefit costs, if any, must be identified and, if quantifiable, calculated and factored out of the assessment cost basis to produce a “net” cost figure. In addition, Proposition 218 no longer automatically exempts government owned property from being assessed and if special benefit is determined to be conferred upon such properties, they must be assessed in proportion to special benefits conferred in a manner similar to privately owned property assessments.

From this, the value of a basic benefit unit or “basic net unit cost” can be computed by dividing the total amount of

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estimated net program costs by the total number of benefit units. The amount of assessment for each parcel can be computed at this time by multiplying the Net Unit Cost times the number of Basic Benefit Units per parcel. This is known as “spreading the assessment” or the “assessment spread” in that all costs are allocated proportionally or “spread” amongst all properties within the BID.

The method and basis of spreading program costs varies from one BID to another based on local geographic conditions, types of programs and activities proposed, and size and development complexity of the District. PBIDs may require secondary benefit zones to be identified to allow for a tiered assessment formula for variable or “stepped-down” benefits derived.

### **Supplemental Proposition 218 Procedures and Requirements**

Proposition 218, approved by the voters of California in November of 1996, adds a supplemental array of procedures and requirements to be carried out prior to levying a property-based assessment like the Panorama City BID. These requirements are in addition to requirements imposed by State and local assessment enabling laws. These requirements were “chaptered” into law as Article XIID of the California Constitution.

Since Prop 218 provisions will affect all subsequent calculations to be made in the final assessment formula for the Panorama City BID, Prop 218 requirements will be taken into account. The key provisions of Prop 218 along with a description of how the Panorama City BID complies with each of these provisions are delineated below.

(Note: All section references below pertain to Article XIII of the California Constitution):

#### **Finding 1. From Section 4(a): “Identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed”**

There are 106 parcels within the modified Panorama City BID “identified” as assessable parcels that will derive special benefit from the proposed District programs and activities. The benefits are special and unique only to the identified properties within the District because programs and services (i.e. maintenance, security, special events, marketing; administration; and, contingency) will only be provided directly for the identified properties. These identified benefiting parcels are located within the BID perimeter boundary which is shown on the Boundary Map included in the Management District Plan and are listed as an attachment to the Plan and this Report - identified by assessor parcel number. Any future development and/or land subdivisions will adhere to the assessment rate structures described herein. There are 3 benefit zones within the BID.

The BID is located in the heart of the Panorama City community, which is in the Northeast San Fernando Valley. The

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specific boundaries are Parthenia Street to the north, including the commercially zoned properties along Van Nuys Boulevard to the north; the south block face of Roscoe Boulevard from Cedros Avenue to Van Nuys Boulevard, both sides of Van Nuys Boulevard south to Titus Street and east on the South side of Roscoe Boulevard to Lennox Avenue as the southern boundary; only the commercial properties west of Lennox and Tilden Avenues as the eastern boundary; and, the commercial properties on the east side of the street on Cedros Avenue as the western boundary. Property zoned exclusively residential will not be assessed.

**BID Boundary:** The boundary for the Panorama City Business Improvement District was determined based on the distinct retail/commercial character of the currently operating businesses and the long-term recognition of this area as a consumer shopping area. The uses of properties that form the boundaries to the north, east, and west of the PBID boundary are residential in character. The northern boundary of the PBID extends along Van Nuys Boulevard north of Parthenia Street to include the retail/commercial establishments. The eastern boundary extends as far as Lennox and Tilden Avenues, and the western boundary extends to Cedros. The southern boundary at Titus Street was determined as appropriate because there is no quantifiable benefit to be gained from the services to be offered through the PBID. Additionally, the businesses to the south of Titus Street represent a different culture with auto-related uses and other businesses that do not promote the pedestrian friendly environment of the selected PBID boundary. A map of the Panorama City boundary may be found on page 5.

The northern boundary is identical to the zoning of retail/commercial property in the area, and ends mid-block on Parthenia Street where the zoning changes to become multi-family, residential units. The east and west boundaries of the Panorama City PBID are also consistent with the zoning of commercial property in the area. The eastern boundary is defined by the alleys that separate the commercially zoned properties from single-family residential homes. The western boundary is determined by the residentially zoned properties that border the commercial zone on the west side of Cedros Avenue. The only commercially zoned parcel outside the western boundary, at the southwest corner of Parthenia Street and Cedros Avenue, is not the same retail-oriented, pedestrian friendly commercial use that is found at the other parcels in the PBID and thus would not benefit from the services proposed by the PBID.

The southern boundary of the PBID extends one parcel deep along the south side of Roscoe Boulevard and one parcel deep along Van Nuys Boulevard to the north side of Titus Street. Although zoned for commercial use, the businesses operating along Titus Street, that do not front Van Nuys Boulevard, are not retail-oriented, pedestrian friendly commercial uses, and would not benefit from the services proposed by the PBID. Most of the uses south of Titus Street are semi-industrial in character and the majority of the uses along Van Nuys Boulevard south of Titus are auto-related uses which are not consistent with the commercial/retail uses found within the Panorama City PBID.

There are three benefit zones in the district. All commercial or industrial zoned parcels within the above-mentioned boundaries shall be assessed to fund special benefit services as outlined in this plan. Services will only be provided to these parcels and no services will be provided outside of the district boundaries.

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All identified parcels within the above-described boundaries will be assessed to fund special benefit services, programs and improvements as outlined in this report and the Management District Plan. BID funded activities will only be provided to properties inside the District boundaries – none outside. All BID funded programs and services are considered supplemental above normal base level services provided by the City of Los Angeles and only within the boundaries of the Panorama City BID.

**Finding 2.** From Section 4(a): “Separate general benefits (if any) from the special benefits conferred on parcel(s). Only special benefits are assessable. “

As stipulated by Proposition 218, assessment District programs and activities may confer a combination of general and special benefits to properties, but the only program benefits that can be assessed are those that provide special benefit to the property owners. For the purposes of this analysis, a “general benefit” is hereby defined as: “A benefit to properties in the area and in the surrounding community or benefit to the public in general resulting from the improvement, activity, or service to be provided by the assessment levied”. “Special benefit” as defined by the California State Constitution means a distinct benefit over and above general benefits conferred on real property located in the District or to the public at large.

The property uses within the boundaries of the BID which will receive special benefits from BID funded programs and services are currently a mix of retail, office and parking. Services, programs and improvements provided by the District are primarily designed to provide special benefits to identified commercial parcels within the boundaries of the district.

Existing City of Los Angeles services will be enhanced, not replaced or duplicated, by BID services. In the case of the Panorama City BID, the very nature of the purpose of this District is to fund supplemental programs, improvements and services within the BID boundaries above and beyond what is being currently funded either via normal tax supported methods or other funding sources. These services, programs and improvements, are designed to enhance the commercial core uses, increase tenancy and marketing of the properties in the BID and improve the aesthetic appearance of the BID as a whole. All benefits derived from the assessments to be levied on parcels within the BID are for services, programs and improvements directly benefiting the property owners within this area and support increased cleanliness, commerce, business attraction and retention, increased property rental income and improved District identity. No services will be provided beyond the BID boundaries.

The following detailed services, programs and improvements will provide special benefit to the identified properties within the BID boundaries:

1. **Landscape/Streetscape Maintenance (27%):** The landscape and streetscape improvements will require

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regular, consistent care and maintenance. The streetscape plan proposes fully landscaped medians along the length of Van Nuys Boulevard from the northern to the southern boundary of the district. Planters are proposed at the curbside with appropriate trees and/or shrubbery. Landscape improvements are also to be installed on the east west streets at Parthenia, Chase and Titus Streets. A landscape firm is to be employed to maintain the improvements under the administrative management that will oversee the implementation of the PBID program. In addition to the streetscape improvements other beautification shall include decorative banners, directional signage that is unique to the Panorama City PBID, new street furniture and trash receptacles.

The Landscape/Streetscape Maintenance service will assist in enhancing the image of the BID area. This activity is designed to increase vehicular and pedestrian traffic within Panorama City that will increase commerce and attract and retain new business and patrons within the BID boundaries. Because these maintenance services will only be provided within the BID boundaries, these improvements will constitute "special benefits" to each individual assessed parcel.

2. **General Maintenance and Sanitation (36%):** The goal of the general maintenance and sanitation component of the PBID program is the appearance of the PBID, over the long term, as an attractive and inviting place to shop and obtain services. The PBID will maintain and promote a uniform standard of cleanliness that will be apparent throughout the geographic boundaries of the district. The focus will be regular and continuous removal of paper and litter debris, disposal of leftover packing material and boxes, removal of graffiti, disposal of trash from trash receptacles, etc. A regular and systematic review of the entire PBID area will be conducted to identify any areas that regularly reflect unsanitary or litter conditions. These services are to be provided only within the district boundaries.

The General Maintenance and Sanitation service will assist in enhancing the image of the BID area. This activity is designed to increase vehicular and pedestrian traffic within Panorama City that will increase commerce and attract and retain new business and patrons within the BID boundaries. Because these maintenance services will only be provided within the BID boundaries, these improvements will constitute "special benefits" to each individual assessed parcel.

3. **Security (19%):** In order to attract pedestrians and retain businesses, it is critical that visible and continuous security be present during the operating hours of the retail/commercial businesses. Crime is not greater here than in other retail districts throughout the Valley but customers need to feel that it is safe to shop, eat and socialize at the various venues in the district. It is proposed that the security patrol canvass the area regularly throughout the business day. The added security may use bikes and/or cars to conduct regular perimeter and interior patrols of the entire district. The objective is to maintain a highly visible security presence that will deter crime and encourage the image of safe shopping that will maintain and expand the

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current customer base. Security services will only be provided within the district.

The Security and Safety patrol will assist in creating a safe and secure environment to each individual parcel in the BID area and enhance Panorama City. This activity is designed to increase vehicular and pedestrian traffic within the Industrial Tract that will increase commerce and attract and retain new business and patrons within the BID boundaries. Each parcel will benefit because the Security and Safety services will only be provided within the BID boundaries, these services constitute "special benefits" to each individual assessed parcel.

4. **Cultural, Community and Special Events (2%):** Currently the district has a diverse customer base which is to be recognized and promoted through cultural and community events sponsored by the PBID and by individual business owners. The PBID Management shall collaborate with business owners to plan, sponsor and conduct a calendar of events that supports and integrates the efforts of both entities. The objective of these cultural and community events is to create an identity and positive image that acknowledges the existing customer base while attracting new consumers, new franchise businesses and the media. These services shall only be provided within the district.

The Cultural, Community and Special Events will assist in creating a vibrant environment to each individual parcel in the BID area and enhance Panorama City. This activity is designed to increase vehicular and pedestrian traffic within the Industrial Tract that will increase commerce and attract and retain new business and patrons within the BID boundaries. Each parcel will benefit because the Cultural, Community and Special Events services will only be provided within the BID boundaries, these services constitute "special benefits" to each individual assessed parcel.

5. **Marketing/Image Enhancement (3%):** The marketing and image enhancement activities will focus on mechanisms by which to improve the visual image of this shopping district. Banners, way finding signage and other tools will be used to create a “destination” image. These tools will direct customers to the various shopping experiences offered by the Panorama City retail district minimizing the possibility of getting lost or walking out of the way to find a specific retailer. Marketing and District enhancement services are only be provided within the District.

These improvements will beautify and enhance the image of each individual parcel within Panorama City and thereby increase pedestrian and vehicular traffic to each parcel in the district. This activity is designed to increase commerce and attract and retain new business and patrons within the BID boundaries. Because the Marketing/Image Enhancement program will only be provided within the BID boundaries, these improvements will constitute “special benefits” to each individual assessed parcel.



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6. **BID Management & Administration (10%):** A 501(c)(6) non-profit corporation, with an elected Board of Directors (Property Owner’s Association) is responsible for the District’s program oversight and authorization for disbursement of funds. Support staff such as a manager, bookkeeper and others will be employed and/or contracted with to provide necessary services in program implementation and oversight and regular contact with the Board of Directors.

This component is key to the proper expenditure of BID assessment funds and the administration of BID programs and activities that are intended to promote business within the BID boundaries through increased commerce and the attraction and retention of new business. Because this BID Management/Administration program exists only for the purposes of the BID and will only be provided for matters occurring within the BID boundaries, this program will constitute a "special benefit" to each individual assessed parcel.

7. **Contingency (5%):** A contingency will provide a balance for unexpected expenses that the Owners Association may incur. Assessments not collected will be supplemented from the contingency.

The Contingency budget is designed to enhance the assets and image of the commercial corridor, and thereby increase commerce and promote business within the boundaries of the BID. Because this contingency services program will only be provided within the BID boundaries, this program constitutes a "special benefit" to each individual assessed parcel.

Any unexpended BID assessment funds remaining at the end of the current BID term may be used to develop the renewal Management District Plan and Engineer’s Report.

In summary, relative to the BID funded work program, all of the above areas of services, activities and improvements work together to create a more pleasing environment within the district that is conducive to strengthening the current and future economic vitality of this area through the attraction and retention of new business, increased commerce and enhanced experiences for shoppers, visitors and workers. The programs, improvements and services are designed to specifically benefit identified properties within the BID boundaries. The proposed BID assessments will only be levied on identified properties within the BID boundaries and assessment revenues will be spent to deliver services that provide a direct and special benefit to assessed parcels and to improve the economic vitality of these properties. Inasmuch as no services will be provided beyond the BID boundaries to the surrounding communities or to the public in general, any general benefit is unintentional. It is hereby determined that general benefits, if any, are not quantifiable, measurable, or tangible.

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**Finding 3. From Section 4(a): “(Determine) the proportionate special benefit derived by each parcel in relationship to the entirety of the.....cost of public improvement(s) or the maintenance and operation expenses.....or the cost of the property related service being provided.**

Each identified parcel within the district will be assessed based on property characteristics unique only to that parcel. Properties will be assessed based on a combination of factors: land area, building area, location in the building and location within the BID. The calculated assessment rates are applied to the actual measured parameters of each parcel and thereby are proportional to each and every other identified parcel within the district as a whole. Larger parcels and ones with larger building areas and/or ground floor spaces located in Zone 1 are expected to impact the demand for services and programs to a greater extent than smaller land and/or building areas, upper floor locations or located in Zone 2 or 3. The former cases are assigned a higher proportionate degree of assessment program and service costs. The proportionality is further achieved by setting targeted formula component weights for the respective parcel by parcel identified property attributes.

The proportionate special benefit cost for each parcel has been calculated based on optimum proportionate formula components and is listed as an attachment to the Management District Plan and this Report. The individual percentages (i.e. proportionate relationship to the total special benefit related program and activity costs) is computed by dividing the individual parcel assessment by the total special benefit program costs.

**Finding 4. From Section 4(a): “No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel.”**

Not only are the proposed program costs reasonable due to the benefit of group purchasing and contracting which would be possible through the Panorama City BID, they are also considerably less than other options considered by the Panorama City BID renewal proponent group. The actual assessment rate for each parcel within the BID directly relate to the level of service to be provided based on the respective lot size and street frontage of each parcel.

**Finding 5. From Section 4(a): “Parcels.....that are owned or used by any (public) agency shall not be exempt from assessment.....”**

There are three (3) public owned parcels within the BID. These three parcels are located in Zone 3 in the block bounded by Chase Street to the north; Roscoe Boulevard to the south; Lennox Avenue to the east; and, Van Nuys Boulevard to the west. The parcel numbers are as follows: 2638-022-900; 2638-022-901; and, 2638-022-902. All three parcels are owned by the City of Los Angeles. No street addresses have been assigned to these parcels.

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### **Public Owned Parcels (City of Los Angeles)**

APN	Site Address	2011-2012 Assessment	% of Total
2638-022-900	N/A	\$723	0.16%
2638-022-901	N/A	\$300	0.066%
2638-022-902	N/A	\$480	0.106%
<b>TOTAL</b>		<b>\$1,503</b>	<b>0.332%</b>

There is no compelling evidence that these parcels would not benefit equally to privately owned parcels and, thus, will be assessed in the same manner and rates as privately owned parcels in the BID.

**Finding 6.** From Section 4(b): “All assessments must be supported by a detailed engineer’s report prepared by a registered professional engineer certified by the State of California”.

This report serves as the “detailed engineer’s report” to support the benefit property assessments proposed to be levied within the Panorama City BID.

**Finding 7.** From Section 4(c): “The amount of the proposed assessment for each parcel shall be calculated (along with) the total amount thereof chargeable to the entire district, the duration of such payments, the reason for such assessment and the basis upon which the amount of the proposed assessment was calculated.”

The individual and total parcel assessments attributable to special property benefits are shown on Appendix 1 to the Management District Plan and this Report. The District and resultant assessment payments will continue for 2 more years and may be renewed again at that time. The reasons (purposes) for the proposed assessments are outlined in Finding 2 above as well as in the Management District Plan. The calculation basis of the proposed assessment is attributed to land area , building area, location in the building and location in the BID. There are a three benefit zones.

### **Assessment Formula Methodology**

#### **Step 1.** Select “Basic Benefit Unit(s)”

BID assessment formulas typically are based on either property street frontage or parcel and building size or location, all which relate to the amount of special benefit conferred on a particular parcel and the proportionate assessment to be paid. The formula may base assessments on a single factor or a combination of factors.

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Based on the specific needs and corresponding nature of the program activities to be funded by the Panorama City BID (i.e. maintenance, security, special events, marketing; administration; and, contingency) it is the opinion of this Assessment Engineer that the assessment factors on which to base assessment rates relate directly to the proportionate amount of land area, building area, location in the building and location in the BID.

For commercial uses, the interactive application of building and land area quantities are a proven method of fairly and equitably spreading special benefit costs to these primary beneficiaries of BID funded services, programs and improvements. Each of these factors directly relates to the degree of benefit each parcel will receive from BID funded activities.

Building area is a direct measure of the static utilization of each parcel and its corresponding impact or draw on BID funded activities such as maintenance, security, marketing and management. In the opinion of this Assessment Engineer, the targeted weight of this factor, building area, should generate approximately 55% of the total BID revenue.

Land area is a direct measure of the current and future development capacity of each parcel and its corresponding impact or draw on BID funded activities such as maintenance, security, marketing and management. In the opinion of this Assessment Engineer, the targeted weight of this factor, land area, should generate approximately 45% of the total BID revenue and be set at 25% of the base building area unit rate.

The “Basic Benefit Units” will be expressed as a combined function of gross building square footage (Benefit Unit “A”) and land square footage (Benefit Unit “B”). Based on the shape of the Panorama City BID, as well as the nature of the District program elements, it is determined that all commercial properties will gain a direct and proportionate degree of benefit based on the respective amount of building size and parcel size within three benefit zones.

There are three Benefit Zones within the Panorama City PBID. Benefit Assessment Zone 1 incorporates all parcels with Van Nuys Boulevard street frontage. The assessment is based on three formula components: ground floor building square footage; upper floor building square footage; and, parcel square footage.

Benefit Assessment Zone 2 incorporates all other parcels within the BID without Van Nuys street frontage (except for Zone 3 parcels as described below). The assessment is based on three formula components: ground floor building square footage; upper floor building square footage; and, parcel square footage.

Benefit Assessment Zone 3 includes only the three publicly owned properties. The assessment for Benefit Zone 3 is based on parcel square footage only.

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Based on the proportion of services in these three Benefit Assessment Zones, the Basic Benefit Units will be divided as follows: 1) Benefit Units for the building area, “**Unit A**”, and 2) Benefit Units for the parcel area, “**Unit B**”.

The level of benefit per Unit B in all three Benefit Assessment Zones is exactly the same. However, the benefit level of Unit A as applied to all three Benefit Assessment Zones varies. This is due to the frequency and emphasis of services provided within the core services focused on Zone 1. It is additionally noted that services are most directly delivered to the ground floor with lower proportionate benefits delivered to upper floors of the building.

Therefore, Unit A as the ground floor of a building in Zone 1 receives the primary and greatest focus of all benefits from improvements/services and is considered to be the basis for Unit A. The 2nd story and all upper floors of a building in Zone 1 receive 25% of the benefit for Unit A in comparison to the ground floor.

In Zone 2, Unit A, or the first floor of a building, receives 75% of the benefit derived from the basic Unit A. The Unit A benefit as applied to the second floor and above of a building in Zone 2 will deliver 15% of the benefit from Unit A in comparison to the ground floor.

### **Future Development**

As future new development occurs within the District, current property characteristics and parcel configurations may also change. This may occur due to various land related modifications such as new subdivisions, lot line adjustments, reversions to acreage and parcel consolidations or new building construction or demolition. In turn, parcel size and building area measurements may also change. Any such modifications will result in recalculation of assessments for new and/or modified parcels and/or buildings based on assessment rates in affect when such changes occur in accordance with future maximum rates and the assessment methodology delineated in this Report.

It is noted that any change in assessment formula methodology or rates other than as stipulated in this Report would require a new Proposition 218 ballot procedure in order to approve any such changes.

### **Step 2. Quantify Total Basic Benefit Units**

Taking into account all identified benefiting properties and their respective assessable benefit units, there are 1,262,492.55 Benefit Units A and 4,267,451 Benefit Units B.

### **Step 3. Calculate Benefit Units for Each Property.**

The number of Benefit Units for each identified benefiting parcel within the Panorama City BID was computed from data extracted from County Assessor records and maps. These data sources delineate current land uses, building areas,

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property areas and dimensions of record for each tax parcel. While it is understood that this data does not represent legal field survey measurements or detailed title search of recorded land subdivision maps or building records, it does provide an acceptable basis for the purpose of calculating property based assessments. All respective property data being used for assessment computations will be provided to each property owner in the BID for their review. All known or reported discrepancies, errors or misinformation will be corrected.

### Step 4. Determine Assessment Formula

Based on the nature of the programs to be funded as well as other rationale outlined in Step 1 above, it has been determined that the Panorama City BID assessments will be based on land area, building area, location in a building and location in the BID. The targeted assessment formula component weights are: 55% for Benefit Unit A - building area and 45% for Benefit Unit B – land area.

### Computing Assessment Formula Unit Costs:

#### Original Unit Cost Determination in 2009

Benefit Unit		Total Cost for Services		Percentage of Levy		Assessable Units		Factor per Unit
Unit A	=	\$465,871.06	X	55%	÷	1,262,492.55	=	\$0.20295492674 per unit
Unit B	=	\$465,871.06	X	45%	÷	4,267,451	=	\$0.04912580765 per unit

\* The Unit A and Unit B rates were rounded to \$0.20 and \$0.05 respectively at the BIDs inception in 2009.

### Assessment Rate Schedule and Application:

#### Original Assessment Rate Chart from 2009

BENEFIT ASSESSMENT ZONE 1 (Parcels fronting Van Nuys Blvd)			BENEFIT ASSESSMENT ZONE 2 (Parcels NOT fronting Van Nuys Blvd)			BENEFIT ASSESSMENT ZONE 3 (Public Parcels)
Unit A @ 100%	Unit A @ 25%	Unit B @ 100%	Unit A @ 75%	Unit A @ 15%	Unit B @ 100%	
Ground Floor	Upper floors	Lot	Ground Floor	Upper Floors	Lot	Lot
<b>\$0.20</b>	<b>\$ 0.05</b>	<b>\$ 0.05</b>	<b>\$0.15</b>	<b>\$0.03</b>	<b>\$0.05</b>	<b>\$0.05</b>

\* For 2012, the Zone 1 ground floor building area assessment rate is being reduced to \$0.178542691 in order to take into account, a \$15,000 reduction in Zone 1 maintenance costs. All other BID rates for Zones 1, 2 and 3 will maintain

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the same weighted ratios relative to the Zone 1 ground floor building area rate as set in 2009.

### **Step 5. Estimate Total District Costs**

The total District costs for 2009-2013 of the BID are projected to be as shown below in Table 1 assuming a 3% increase per year. It is noted that the budget for Landscape/Streetscape Maintenance has been reduced by \$15,000 starting in Year 2012 due to the fact that certain Zone 1 streetscape improvements along Van Nuys Boulevard to be funded by outside sources have not been constructed yet. Thus, the Zone 1 maintenance costs and the assessment rate for Zone 1 ground floor building area have been reduced accordingly.

**TABLE 1**  
**2009-2013 District Costs (assumes 3% annual increase)**

<b>ACTIVITY</b>	<b>2009</b>	<b>2010 3%</b>	<b>2011 3%</b>	<b>2012 3%</b>	<b>2013 3%</b>
Landscape/Streetscape Maintenance	\$125,785.19	\$129,558.74	\$133,445.50	\$110,788*	\$114,112
Maintenance/Sanitation	\$163,054.87	\$167,946.52	\$172,984.91	\$163,054	\$167,945
Security	\$83,856.79	\$86,372.49	\$88,963.67	\$83,856	\$86,372
Cultural/Community Events	\$9,317.42	\$9,596.94	\$9,884.85	\$9,317	\$9,596
Marketing/Image Enhancement	\$13,976.13	\$14,395.42	\$14,827.28	\$13,976	\$14,395
Management/Administration	\$46,587.11	\$47,984.72	\$49,424.26	\$46,587	\$47,985
Contingency	\$23,293.55	\$23,992.36	\$24,712.13	\$23,293	\$23,992
<b>Total Funding</b>	<b>\$465,871.06</b>	<b>\$479,847.19</b>	<b>\$494,242.61</b>	<b>\$450,871*</b>	<b>\$464,397</b>

\* The Landscape/Street Maintenance budget has been reduced by \$15,000 for 2012. The assessment rate for ground floor building area has been reduced accordingly to reflect this revenue decrease.

### **Step 6. Separate General Benefits from Special Benefits and Related Costs (Prop 218)**

All benefits derived from the assessments outlined in the Management District Plan and this Report are for supplemental services, programs and improvements directly benefiting the identified properties within the BID. All BID funded activities are provided solely to properties within the Panorama City BID. All services will be delivered only within the boundaries and designed only for the direct special benefit of the identified assessed properties in the BID. No services will be provided to non-assessed parcels outside the BID boundaries. Any potential spill over effect is unquantifiable as previously discussed in this report. Thus, all general benefits (if any) within or outside of the BID, are inadvertent, intangible and immeasurable. Total District revenues are shown below in Table 2.

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**TABLE 2**

**Total Year 1 District Revenues**

<b>Funding Source</b>	<b>Revenue</b>	<b>% of Total</b>
BID Assessments	\$450,871	100.00%
<b>TOTAL DISTRICT REVENUE</b>	<b>\$450,871</b>	<b>100.00%</b>

**Step 7. Calculate “Basic Unit Cost”**

With a 2012 budget of \$450,871 (special benefit only), the Basic Unit Costs are shown above in Step 4. Since the BID is being modified for the last 2 years of the current 5 year term, maximum assessments for future years (2013) must be set at the inception of the modified BID. An annual inflationary assessment rate increase of up to 3% may be imposed for the final year (2013) of the current BID, on approval by the BID Property Owner’s Association. The maximum assessment rates for the 5 year BID term of 2009-2013 are shown below in Table 3. The assessment rates listed constitute the starting basis of assessment for future years of the BID (2012-2013).

**TABLE 3**

**2009-2013 Maximum District Assessment Rates (assumes 3% annual increase)**

<b>Basic Benefit Unit</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Unit A	\$0.20/unit	\$0.206	\$0.212	\$0.1785426491	\$0.183
Unit B	\$0.05/unit	\$0.0515	\$0.053	\$0.05	\$0.0515

**Step 8. Spread the Assessments**

The resultant assessment spread calculation results for each parcel within the BID are shown in the Management District Plan and were determined by applying the District assessment formula to each identified benefiting property.



# APPENDIX 1

## 2012\*

### ASSESSMENT ROLL

\* The assessments listed constitute the starting basis of assessment for the final 2 years (2012-2013) of the current 5 year BID.

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APN	TOTAL ASMT
2210-010-011	\$2,462.30
2210-010-012	\$5,447.95
2210-010-022	\$2,098.12
2210-010-023	\$4,626.49
2210-010-028	\$3,665.50
2210-010-029	\$1,746.00
2210-010-033	\$1,561.75
2210-010-034	\$1,450.68
2210-010-037	\$1,835.27
2210-010-038	\$1,068.86
2210-010-039	\$9,629.96
2212-004-001	\$6,900.14
2212-004-008	\$3,534.26
2212-004-011	\$455.00
2212-004-033	\$8,579.15
2212-004-034	\$4,279.00
2212-004-035	\$1,251.25
2212-004-036	\$2,164.20
2638-001-003	\$959.65
2638-001-033	\$1,186.13
2638-001-034	\$1,241.86
2638-001-035	\$1,974.60
2638-001-038	\$1,591.42
2638-001-039	\$2,490.34
2638-001-040	\$1,817.63
2638-001-041	\$1,800.52
2638-001-042	\$3,313.10
2638-001-043	\$1,023.95
2638-001-044	\$1,163.84
2638-001-045	\$1,609.24
2638-001-046	\$2,144.23
2638-001-047	\$795.00
2638-001-048	\$1,335.50
2638-001-050	\$583.70
2638-001-051	\$1,276.10

2638-001-053	\$12,206.55
2638-001-056	\$2,559.98
2638-001-057	\$1,712.95
2638-001-058	\$6,052.50
2638-001-059	\$14,091.65
2638-022-019	\$1,924.06
2638-022-038	\$724.85
2638-022-039	\$3,443.44
2638-022-040	\$2,546.31
2638-022-041	\$1,474.83
2638-022-042	\$2,437.79
2638-022-043	\$6,540.93
2638-022-044	\$4,753.01
2638-022-045	\$783.35
2638-022-048	\$1,604.25
2638-022-049	\$1,330.82
2638-022-050	\$4,678.65
2638-022-054	\$3,245.42
2638-022-057	\$3,340.87
2638-022-059	\$6,000.10
2638-022-061	\$17,958.20
2638-022-900	\$723.20
2638-022-901	\$300.00
2638-022-902	\$480.00
2638-038-002	\$27,096.01
2638-038-016	\$66,812.26
2638-038-017	\$3,329.66
2638-039-010	\$10,841.97
2638-039-011	\$2,265.00
2638-039-015	\$6,293.20
2638-039-017	\$1,216.45
2638-039-018	\$596.90
2638-039-019	\$895.40
2638-039-020	\$8,377.90
2638-039-021	\$15,507.45
2639-001-017	\$663.61
2639-001-020	\$927.77
2639-001-021	\$1,462.43

2639-001-022	\$2,063.39
2639-001-023	\$1,416.70
2639-001-024	\$655.50
2639-001-026	\$2,441.53
2653-001-033	\$2,318.60
2653-002-006	\$2,558.33
2653-002-008	\$1,365.89
2653-002-009	\$436.95
2653-002-010	\$1,334.57
2653-002-030	\$1,380.01
2653-002-034	\$588.00
2653-002-035	\$387.50
2653-002-036	\$1,036.71
2653-002-038	\$842.87
2653-002-040	\$524.80
2653-002-041	\$1,190.50
2653-002-042	\$2,331.10
2653-002-062	\$1,727.64
2653-003-044	\$423.00
2653-003-045	\$1,239.68
2653-003-119	\$1,777.25
2653-017-050	\$2,851.35
2653-017-059	\$21,088.44
2653-017-060	\$21,476.45
2653-018-018	\$375.00
2653-018-019	\$375.00
2653-018-020	\$375.00
2653-018-021	\$750.00
2653-018-028	\$375.00
2653-018-029	\$375.00
2653-018-030	\$375.00
2653-018-039	\$2,625.00
2653-018-040	\$35,526.90
	<b>\$450,871.07</b>

\* The assessments listed constitute the starting basis of assessment for the final 2 years (2012-2013) of the current 5 year BID.